

ENVIRONMENT

SB65 – Environment – Water Quality – Penalties

SB65 increases the maximum criminal penalties for knowingly making any false statement in any required document or tampering with any monitoring device or method under specified water pollution control laws. Specifically, the bill increases the misdemeanor penalties from a fine of up to \$10,000, or imprisonment for up to six months, or both, to a fine of up to \$50,000, or imprisonment for up to two years, or both.

SB869/HB1308 – Electricity Regulation – Renewable Energy Portfolio Standard and Credit Trading – Maryland Renewable Energy Fund

SB869/HB1308 require PSC to establish a Renewable Energy Portfolio Standard that applies to retail electricity sales in the State beginning in 2006. The bills also direct the Public Service Commission (PSC) to establish a market-based renewable energy credit system and a Maryland Renewable Energy Fund. Effective January 1, 2006, the bills repeal provisions of the State's electricity restructuring law that required maintenance of effort by electric companies in procuring electricity from renewable sources. The bills require each electricity supplier to include in its portfolio of electricity for retail sales a specified percentage of energy derived from renewable sources.

Renewable energy sources consist of two tiers. Tier 1 renewable energy sources include solar, wind, qualifying biomass, methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant, geothermal, ocean (including energy from waves, tides, currents, and thermal differences), and fuel cells powered by other Tier 1 sources. Qualifying biomass includes gasified animal and poultry waste, specified forest-related and agricultural materials, and crops grown as fuel. Tier 2 renewable sources include hydroelectric power, the incineration of poultry litter, and waste-to-energy. Each electricity supplier must submit an annual report to PSC demonstrating compliance with the portfolio standard for the preceding year.

These bills establish a Maryland Renewable Energy Fund as a special, nonlapsing fund to encourage the development of generating resources for renewable energy. The Maryland Energy Administration (MEA) administers the fund under PSC oversight. The fund may only be used to make loans and grants to assist in the creation of new Tier 1 renewable energy sources in the State. The fund consists primarily of compliance fees and loan repayments. MEA is responsible for accepting and reviewing applications for projects. Administrative costs to the fund may not exceed 10 percent of the fund balance.

The bills require PSC to establish a market-based renewable electricity trading system in which electricity suppliers can trade renewable energy credits (RECs) with each other to fulfill the energy portfolio standard.

The bills require PSC to appoint a technical advisory group to study and make recommendations on the impact of wind-power facilities on avian and bat populations, including standards to avoid or minimize impacts from the construction and operation of facilities. The technical advisory group must report to PSC on or before June 1, 2005. PSC must adopt regulations on wind-power facility siting on or before July 1, 2006, taking into consideration the recommendations of the technical advisory group. The regulations may not apply to facilities for which an application for a certificate of public convenience and necessity has been submitted before their effective date. A related provision strongly urges wind-power facilities that are already in operation or under construction to study the impacts of their facilities on avian and bat populations and report the results to PSC.

In addition to the required annual report, the bills require that on or before December 1, 2009, PSC provide a status report to the Governor and the General Assembly. Starting on or before January 1, 2016, PSC is required to review the implementation of the bills and the environmental and economic impacts of the renewable portfolio standard, including the effect of the bills on Tier 2 renewable sources. PSC must report its recommendations to the Governor and the General Assembly on or before January 1, 2017. The bills also require the Office of Legislative Audits (OLA) to conduct a performance audit of the Maryland Renewable Energy Fund. OLA must report its findings to the Governor and the General Assembly on or before December 1, 2009.

HB494 – Tidal Wetlands – Criminal Penalties

This bill eliminates a statutory inconsistency pertaining to criminal penalties for violations of State and private wetlands laws. The bill also renames the Wetlands Compensation Fund as the Tidal Wetlands Compensation Fund and provides that any penalty imposed by a court under the law pertaining to wetlands and riparian rights must be paid into the fund. Before taking any civil action to recover a penalty, MDE must provide the alleged violator with written notice of the proposed penalty and an opportunity for an informal meeting concerning settlement of the proposed civil action.

HB1471 – Dredged Material Disposal Alternatives Act of 2004

This bill creates a new program in the Department of Business and Economic Development (DBED) to provide financial assistance for the production and marketing of beneficial reuse technologies. Funding for the program is contingent on money appropriated to the Department of Transportation in the State budget.